

Message Text

CONFIDENTIAL

PAGE 01 MILAN 00686 201832Z

63

ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 AGR-20 AID-20 CIAE-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /123 W

----- 093146

R 201540Z MAY 74

FM AMCONSUL MILAN

TO SECSTATE WASHDC 3592

INFO AMEMBASSY ROME

USMISSION EC BRUSSELS

C O N F I D E N T I A L MILAN 0686

E.O. 11652: GDS

TAGS: EFIN ETRD IT

SUBJ: IMPORT DEPOSITS

REF: ROME 6722; MILAN 0672

1. PRESIDENT POWERFUL LOMBARDY INDUSTRIALISTS ASSOCIATION (ASSOLOMBARDA) WORRIED ABOUT RESOLUTION PRESENT ITALIAN BOP CRISIS. SPEAKING PRIVATELY TO ME TODAY, PELLICANO NOT AT ALL HAPPY WITH GOI PROGRAM WHICH HE NEVERTHELESS FEELS COMPELLED TO ACKNOWLEDGE ONLY POSSIBLE FIRST AID. HIS CRITICISM CENTERS ON PROTECTIONIST NATURE OF MEASURES WHICH HE SEES RISKING RETALIATION BY ITALY'S TRADING PARTNERS WITH DISASTROUS EFFECT ON ITALIAN ECONOMY.

2. HEART OF ISSUE NOW, HOWEVER, IS WHETHER GOVERNMENT WILL TAKE LONGER TERM MEASURES ESSENTIAL TO SOLVE BASIC PROBLEM. PELLICANO DESCRIBES THESE AS INCREASED TAXES (INCLUDING INCREASE IN IVA AND MORE ENERGETIC ENFORMXCEMENT), A HALT TO FURTHER WAGE INCREASES, IF THESE STEPS REALLY TAKEN, HE BELIEVES EC PARTNERS WILL STAND STILL. BUT COMING MONTH WILL TELL. HE BELIEVES TRADE UNIONS WOULD AGREE TO WAGE FREEZE AND TO RELAXING RESTRICTIVE WORK RULES BUT ONLY IN EXCHANGE FOR CONVINCING GOVERNMENT SOCIAL INVESTMENTS, E.G. THE MEZZOGIORNO. AS FAR AS HE IS CONCERNED, INCREASE IN TAXES ON MIDDLE AND UPPER CLASSES ACCEPTABLE CONCOMITANT OF PACKAGE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 00686 201832Z

WITH LABOR.

3. PELLICANO OBSERVED SOBERLY THAT ITALY AT CROSSROADS ON THIS ONE. WHOLE SYSTEM BEING PUT TO TEST AND HE, FOR ONE, NOT SURE OF OUTCOME. DANGER IS THAT DC MAY DECIDE THAT ONLY WAY TO IMPOSE NEEDED SACRIFICES IS IN DEAL WITH PCI. PELLICANO HOPED THAT US WOULD LEAVE NO DOUBT OF ITS DEEP CONCERN TO AVOID SUCH AN EVALUATION WHICH, HE FELT, WOULD BE IRREVERSIBLE AND VERY FAR REACHING IN IMPLICATIONS FOR WESTERN EUROPE AND US.

4. PELLICANO WARNED THAT UNLESS DC GOVERNMENT CARRIED OUT SERIOUS PROGRAM OF REDUCING INTERNAL CONSUMPTION WITHIN NEXT FEW WEEKS, CARLI WOULD RESIGN. HE THOUGHT FANFANI NOT ENDANGERED DESPITE OUTCOME OF REFERENDUM SINCE IN PRESENT CRISIS NO ONE ELSE NOW WANTED TAKE RESPONSIBILITY. AS FOR PSI, HE WAS CONFIDENT THAT GIOLITTI WOULD BE OVERRULED ON REDUCING CONSUMPTION BY MANCINI IN FAVOR OF FANFANI'S POSITION IF THAT BECAME NECESSARY.FINA

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, TRADE, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MILAN00686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740125-0397
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740534/aaaabdtj.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ROME 6722: MILAN 0672
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2002 by cunninfx>; APPROVED <12 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IMPORT DEPOSITS
TAGS: EFIN, ETRD, IT, (PELLICANO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005